

Interview with Grace Piersma

Interviewed by Anna Holt

1999

AH: This is Thursday August 26, an interview between Anna Holt and Grace Piersma.

First I'd like to ask for a brief run through of your personal history: where you were born, where you went to school...

GP: I came here from Cedar Rapids, Iowa in 1975. I started working with Old Kent as a clerk in the commercial loan department, took payments, answered phones, did typing. That type of thing. I went to college at Boone Junior College in Boone, Iowa. Then I have taken classes through Davenport. I don't have a degree. I'm one that came up through the ranks. That's really a hard thing to do nowadays.

AH: What's your position now?

GP: My position is Relationship Manager and Vice President Corporate Banking. It's basically a commercial loan officer. I make loans to businesses and individuals who need money for business purposes.

AH: When you started did you start at this particular office?

GP: This is the only office I have ever worked in. I've never been a teller. I did a lot of different jobs. I started in commercial loans as a clerk. Then I went into the credit department. It was right in the same area. The bank was completely different then, it was downstairs. I went into the credit area and then I was promoted to commercial credit and operations officer so I was responsible for the support staff and the credit

department, which was only two of us. Then from there I was the auditor of the bank. I did that for four or five years. Then I went to the main office to be the manager there and then was promoted to a regional sales manager so I was responsible for several branches. Then I came up here. I like this. I *love* this job. I am very happy here. I like what I do.

AH: How long have you been in this position?

GP: I'd say I'm probably finishing my fifth year up here. Time flies when you're having fun.

AH: Can you tell me a little about the background of the bank here in Holland?

GP: I got this book out...Do you have this book? (Points to Haven, Harbor and Heritage: The Holland, Michigan, Story by Larry B. Massie)

AH: Yes, it's a good book.

GP: OK, so you know when the bank started. I came here in 1975. Old Kent purchased People's State Bank at that time, in January of 1975, so I've only known it being owned by Old Kent Financial, but I can remember people saying to me, especially when I sat downstairs in the main office... Curley Dalman and Clarence Klaasen used to run this bank. This was before Old Kent purchased them. Nowadays we have credit files. We have to get financial information, personal statements, tax returns, whatever we can to make a loan decision. People used to say, "Well, I used to come into this office and Curley would give me money and just a shake of his hand would take care of it." That's so true. I remember working downstairs and putting together credit files and that was something that had not been done in the past. Curley just had

all of that information in his head. He's still around. He's the neatest guy. He stayed on the board after the bank was purchased. Jerry Redeker came in January of '75. Jerry was our President for years and years, as long as I was here. He's a great man. Curley and his son, Ron Dalman, served on the board for a long time. In fact, when I came to town in 1975 I was looking for a job. I came here and I got the job, and then I talked to other people, because I had to take a cut in pay. I was a single mom with four kids so that was really hard. I had this job and I had gone home to sell the house and pack and move back up here. When I got here I had been riding back and forth with different individuals in town and they recommended that I go to Ron Dalman's office and apply for a job because they were looking for a secretary. I did that and Ron interviewed me and he said, "Hey, we'd really like to hire you and this is what the pay would be" - it was actually an increase from what I was making before. I was like. "Great!" I was suppose to start working here on Monday, this was probably on Wednesday or Thursday the week before. I said, "That would just be great." There were some other people in the room. I said, "Well, there is just one little problem." He said, "What's that?" I said, "Well, I accepted a position at People's Bank and I need to let them know that I'm not going to take that job." They had held that job for me from March or April. The bank was very generous in waiting for me. He pushes himself back from his desk and says, "I wouldn't touch you with a ten foot pole." I was like, "Oh my gosh, what did I say?" [laughter] I said, "Why?" He said, "I'm on the board and my dad was President of that bank." I was like, "Great, I really screwed up here!" That was so funny. I'll never forget

that... Ron and his father were very encouraging to get me promoted. That was really nice.

AH: I remember talking with Jerry about the changes as Old Kent has grown...You no longer have a President here?

GP: We do. We have a community bank President. Actually, this is kind of a fun thing. We have Larry Koops is in Holland. This is the Lakeshore region now and that is Holland and Grand Haven. Larry is responsible for retail. That would be installment loans and branch banking, obtaining deposits, that type of thing. That's in both Holland and Grand Haven. Chris McKinney is responsible for corporate lending, which is my area. His office is in Grand Haven. Larry has a presence here in Holland and is on boards and lives here, is involved in the community and Chris is in Grand Haven. That came last year, this whole new concept.

AH: Is that working out pretty well?

GP: It's wonderful. They're both great men. Larry actually was a corporate lender here in Holland ten, fifteen years ago. I was in auditing at the time, he was teasing me about that the other day, it must have been back in the early '80s. We do have community bank Presidents in both communities. It is a new concept with Old Kent.

AH: Do you still have a board of directors?

GP: No, we do not.

AH: Maybe that's what I was thinking...

GP: You were thinking right. A lot of people think that we don't have a President here because of the changes, because we dissolved our board. Old Kent Financial

Corporation owns this bank and we are Old Kent Financial, we just happen to be located in Holland. I don't like to say that we're a branch of Old Kent, because we're not. We make our own lending decisions, but it's a part of Old Kent Financial, just like the bank in Grand Rapids is or Detroit. We're all one bank. Banking is changing so much. People said ten years ago that there will only be five to ten major banks in the whole country. That was so difficult to comprehend because we had three major banks right here. Now you can see in the last few years how larger banks are buying up. The reason for that is the economy of scale. Old Kent, when they purchased People's State Bank we kept our board of directors, all the banks that they purchased did. The reason they did that is because they wanted us to continue having an identity here. They didn't want the community to think that this great big bank has come in and taken over. A lot of people don't like that in a community. Old Kent did a really good job with that, making sure that we maintained some autonomy and maintained local decision making. They still do, even though we don't have our own board. We still make our own lending decisions, Lakeshore, these two banks together. Think about this, board members are paid a salary to serve on a bank board. Look how many banks we have, just the cost of that alone is a lot of money. Then of course, we had our own operations area so we ran our own proof everyday. When somebody comes in and cashes a check or makes a deposit - we just had tons of work to do. That all goes up to our proof department. Then we have people verify those transactions. We had three people doing that. Grand Rapids probably had a room of probably a hundred people in there that ran their proof. That was one of the

functions of the operations area. Also mailing out our own statements and handling the balancing of our ATM's, correcting errors, being support for the rest of the bank. That was one of the first areas to be dissolved. That happened back in the '80s. We were consolidating the operations area. That was a big savings for Old Kent. That's why we're in business, to make money for the stockholders. It's constant change like that.

AH: Is all of that done in Grand Rapids now? All of the proof?

GP: Everything, yes.

AH: Can you tell me about the time of the biggest growth here?

GP: Well, we are always growing

AH: Or maybe could you tell me about the renovations?

GP: Let's see, we had a major renovation in the late '70s where we spent a million dollars. At that time that was a big investment to make in a renovation project. Over the years we have owned the building next door and had offices over there and then moved those offices over here, did some remodeling. This area right where I am sitting right now used to be our computer room when I came here, all enclosed. Look how beautiful this lobby is. There were glass panels on top of that railing that went almost to the ceiling. It was noisy. The proof was over here. The proof machines are very, very noisy. They were archaic machines. They were old and ugly. The whole look of this place was kind of sad because it was like, what happened in the '50s where they tried to fix the store fronts. It was like, why don't you try to renovate and take it back to the way it was before, but they covered it. That's what

they had done here. The late '70s when we did the remodeling that all changed. There used to be offices on the third floor, Mr. Dalman's office was on the third floor. An attorney's office was up there. Bill DeLong's office was up there, DeLong and Company Accountants. There was a dentist office. There was an old, old elevator from the '20s in the front of the bank where the stairway is and that was here when I came in '75. You would get on that elevator and sometimes it would stop in mid-floor. It was one of those with the old iron gates so you could see everything. Talk about scary! [laughter] The third floor was all dark and there was a hallway down the middle. This is just so different now. When we did the remodeling the third floor was just completely gutted. Then that opened up this second floor. There's been a lot of changes. Major renovations happened in the late '70s.

AH: How many branches are in the Lakeshore now?

GP: I don't know... I think it's nine.

AH: How many did you have when you started here?

GP: One.

AH: Just this one?

GP: No. There was this main office and then one branch. So actually there would be ten locations now. It was the Westside branch, on 17th street. We've now closed that office, but that was our first branch. Russ Michmerhuizen was the branch manager who now owns the credit bureau.

AH: Can you tell me about the biggest challenges you've had to face in your years here? Either Old Kent Bank itself or here in Holland?

GP: People's Bank had a wonderful reputation. Old Kent had an outstanding reputation. Old Kent has been around well over a hundred years. I think our reputation is one of the best things we have going for us. People know that we are strong, that we are concerned about the communities that we are in, that we care, that we are here to support the community and that we are here for them. Banking as a whole, not just Old Kent, I think the major changes are switched from just being customer service oriented, being open hours that people could come in, it's changed to a sales culture and recognizing that it's important to make money for our stockholders, knowing that there is a lot of competition out there and that things are going to be changing. Banking changed to a sales culture. It's really important to maintain that sales culture as well as the importance of customer service. Think about when the ATMs started. That revolutionized banking. You may not have read this in the paper, but one of the local banks wanted to charge customers to be using a teller, like three dollars for the transaction at a teller window. You don't do those things in Holland. You might do that in New York, but not in Holland. So that didn't last very long. The reason for that is, you have to pay salaries and benefits. Hiring an actual person to handle a transaction that could be handled through an ATM or over the internet now - you have home banking - there's a huge difference in cost. So all banks cut staff, encourage people to use ATMs because it's fast. It's easy. It's cost-effective. A person like me who has been here almost twenty-five years, that's really difficult to see. I want that customer to be waited on. I always thought that it was important that they be waited on as soon as possible. Whereas it's OK to wait five minutes. We

wait five minutes everywhere we go to make a transaction. If they want to be faster they can use the ATM or they can do it through the computer. I still have that customer service mentality. A lot of us do. That's an important part of being a banker.

AH: How do you try to maintain that presence in the community and maintain that closeness with your customers while being sales oriented? How do you balance that?

GP: I think it's really important to be involved in the community you are in so that people know who you are. Then when they have a banking need this is where they go. I got involved in the community for several reasons. First of all I think it's important that we give back to the place where we live. I use the services so I think it's important that I give back. The other is that people know who I am so when they have a banking need they say, "Grace works at Old Kent I'm going to call her." It has worked. I'm very involved with the community and a lot of our officers are. I think that the bank understands the importance of that and they support that.

AH: Can you tell me a little bit about the Savings and Learn Bank?

GP: That's one area I am not involved in at all. I haven't done any volunteering there. Not because I didn't think it was great, it was just one that I said no to. A lot of people here do that and I just think it's great. They went in and built an actual bank, a little building. It says Savings and Learn on it. Our employees went there and worked with the students, talked to them about banking, had them open accounts and make deposits. The young people were actually the tellers that took those deposits. Kids would bring their pennies in. They had a board of directors so there were kids

who made decisions about how much interest rates they were going to pay. They kept track of all of that in a savings book. Then our volunteers tutor the young people, some of them. I think there's about thirty-five people in that. We get much more out of that than they do. Our staff really, really enjoys that. That was a great idea.

AH: Can you tell me who your biggest competitors are?

GP: In the past there were three major banks; First National, First Michigan Bank and Old Kent and then there was a Savings and Loan which was Ottawa Savings. It wasn't even a bank, but just recently it changed over to a bank. Good competition. When Huntington purchased FMB, they made some major changes very quickly. This community, like any small community, it's difficult to make quick changes. I've got a lot of respect for Old Kent that we've been very slow to make some changes, very quick to make others, but generally it's been a slow process for the community. Excellent banks, very well run, but right now who is our competition? Macatawa Bank. Macatawa rose up out of these other banks being purchased and they're doing an excellent job. Ameribank. Again very community presence. People perceive large banks coming in and buying these smaller banks that these are not community banks, whether that's true or not. That's how the community perceives that. I would say that Macatawa has done an excellent job of marketing this community bank concept. Bank of Holland also, another new bank in the area that markets themselves as a community bank. "We're locally owned." That says something to the community.

AH: Did you notice a lot of changes... was there anything that really shook you up?

GP: I'd have to say because I came in when it was owned by Old Kent, I don't remember people saying everything has changed. I remember them saying, "Gee, nothing's really changed that much." Other than the way it was managed I guess, because Jerry was new. The major change that we've had in our bank was the sales culture. I think that was difficult for everybody. And I'm a good salesperson. I love to sell and I think that I'm pretty good at it, but it's like a whole new concept for people, a whole new way of thinking. Somebody comes in for a CSR, they used to be called teller and now they're called Customer Service Representatives. We'd say, "Ok, this person came in and cashed a check drawn on another bank. Why did they come to our bank? They must live close, so convenience is one of the reasons people do banking. Let's get them to open an account. See if they have an account and if not, let's get them to do that." We need deposits in order to make loans. We're constantly trying to get more deposits. Here our CSR's see 90% of our customers. Commercial loans has a very large dollar amount in assets, but our CSR's see our customers more than we do. They're on the front lines and they're the ones that make a difference. If we can sell, that's where it has to be coming from. We have a lot of CSR's that have worked here for many, many years. They weren't suppose to stick their nose in other people's business. They weren't suppose to ask how much money they had in deposit. We were suppose to just ignore those things. Now the bank was asking them to ask some questions, sell some products. For people that have been around a long time, that was very, very difficult. Now, they're great. It just takes awhile. New people come in and that's the way it is now, they don't know

anything different. There are great people on the lines that make referrals, recognize opportunities. I always say, develop relationships and recognize opportunities. Those are the two most important things in banking. If you can do that, you've got it made.

AH: Do you have any problems, maybe older people in the community, who come in to make a transaction, do they get uncomfortable with the new sales culture?

GP: I think they did at first, but I think they understand it now. It just takes awhile. A lot of our older customers own stock. They realize..."My stock is doing very well. This must be OK." It's not just older people that struggle with change. Any time you are used to doing something one way and it changes, everybody doesn't like that. Our tendency is to rebel against that.

AH: What are the biggest triumphs that Old Kent has experienced in your years here?

GP: [pause] I don't know. I would say... I think we are known as a strong supporting presence in the community, that people when they think about Old Kent, they feel that we are part of the community, that we care. It's hard when I'm in it to know what other people think of us. I think they trust us, which is important. The reason they trust us is because they know our staff and they know who we are as individuals. We used to do, back in the late 70s, we had the Tulip Time Run. Old Kent has the River Bank Run, that started back in the 70s, maybe '76. We started this Tulip Time Run which was a big undertaking. All of us worked on that program. It was very fun, but very, very expensive.

AH: What is the program?

GP: The Tulip Time Run, I'm not a runner so I don't know much, but it's a 25 K. We

underwrote the whole thing. People would register, sent in their applications. We've gotten some real popular runners of the time and they came. It was very successful. We did that for a few years. Here's an area that you needed to make something a whole. We just dropped doing that. When I first came to the bank there was a woman cook, who cooked our meals for us everyday. This was just the most incredible thing. Every once in awhile people would complain about what she made. She was an awesome cook. Everyday at noon you could go down, sit down, she'd hand you a plate of food and it was awesome food. It was a full meal, always desert, always cookies on the table for your coffee break. At that time we were open until seven o'clock on Friday nights, so five days a week she would fix this wonderful lunch, Friday evenings she made sandwiches for us and left them. We'd have sandwiches and chips and some kind of desert. It was so great. Never paid a dime for this. You just went and ate. At that time we only had a half hour for lunch. I can remember people complaining, "Oh, Ruth made this" - Ruth Bos was her name - "Oh Ruth made this for lunch today." I was like, "You didn't pay a dime for that. This is a free lunch. What are you complaining about?" I was just like, "Shhh... don't say a word." She was just the best cook. It was so wonderful. When that stopped, that was one of the things that Old Kent said, "What are you doing over there?" [laughter] Can you imagine the cost of a year of that? Her salary, plus the food. That was the end of that. They gave us all five dollars and thirty five cents, because that was a benefit. That was what they decided the benefit was equal to, per person five dollars and thirty five cents per week. It would have gone away anyway.

That was just the greatest. Our responsibility today, we as sales people is to be out to lunch with customers.

AH: Much is said about the work ethic in Holland. Do you think that has had a lot to do with the success of Old Kent here.

GP: Sure.

AH: People don't seem to be afraid to work...

GP: And they pay their bills. They feel a responsibility, a good strong ethic. Old Kent is well managed as well. This is a good community to be in. We have good employees, strong employees with good work ethics.

AH: What are you expecting for the future? Where do you see the bank going?

GP: Banking in general. I think there will be more acquisitions. I think we'll see more banking online. The day is coming when everyone will have a computer in their home and you're going to be able to do everything. One thing I find really funny, for years they've been talking about a paperless society. It's a joke! Look at my office. I have a computer that I have all kinds of things on, but look at all this paper. There seems to be more than ever! [laughter] You run a bank all the same. You have the same things you have to do. You have to take your transactions, you have to run your proof, you have to make loans, open new accounts. The more banks you can do under one, the less it is going to cost. The American people are all involved in the stock market, they're all involved in the bottom line, they're all interested. Old Kent works for their stock holders. We're no different then anyone else. We happen to be in a buying mode. A lot of banks are selling, Old Kent is buying. We just recently

works for their stock holders. We're no different than anyone else. We happen to be in a buying mode. A lot of banks are selling, Old Kent is buying. We just recently purchased another line of business in Chicago, which put us I think in the fifth largest bank in the Chicago area. I see banking, fewer and fewer banks, more and more computer usage for individuals, so fewer and fewer branch locations, more store front types of offices. You see them in the grocery stores or in lobbies. It is important to make it convenient. That's why customers bank at certain places because of convenience. I see fewer locations, more and more computer work.

AH: Do you see Old Kent coming out as one of these big banks in the end?

GP: No.

AH: Right now Old Kent is mainly in Michigan, isn't it?

GP: Michigan and Illinois. Old Kent Financial Corporation owns a mortgage company and we used to do mortgages, each bank did mortgages. Now the mortgage company, which Old Kent Financial owns, runs our mortgage area. There are many, many, many branch locations for the mortgage company all over the country.

AH: Well, that's everything. Thanks a lot.